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MALARTIC GOLD FIELDS (QUEBEC) LIMITED

(NO PERSONAL LIABILITY)



long
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drilling
operation



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CANADA PERMANENT TRUST COMPANY

1901 Yonge Street,

TORONTO 7, ONTARIO.

Re: *Malarctic Gold Fields (Quebec) Limited*
(No Personal Liability)

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MALARTIC GOLD FIELDS (QUEBEC) LIMITED

(No Personal Liability)
400 - 112 King Street West,
Toronto 110, Ontario.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the Annual Meeting of the Shareholders of MALARTIC GOLD FIELDS (QUEBEC) LIMITED (No Personal Liability) will be held at the Mine Office of East Malaric Mines Limited, Malaric, Quebec, on Wednesday, the 12th day of May, 1971, at the hour of 3:30 o'clock in the afternoon (Malaric Time) to receive Reports, Financial Statements for the year ended December 31, 1970 and the Auditors' Report thereon; to elect directors; to appoint Auditors and authorize the directors to fix their remuneration; and to transact such other business as may properly come before the Meeting.

A copy of the Reports and Financial Statements to be submitted to such Meeting, together with an Information Circular, are forwarded herewith.

DATED this 6th day of April, 1971.

By Order of the Board,

A. G. WILSON,
Secretary.

NOTE: Shareholders who are unable to attend are kindly requested to sign and return the attached proxy.

MALARTIC GOLD FIELDS (QUEBEC) LIMITED

(No Personal Liability)
400 - 112 King Street West,
Toronto 110, Ontario.

PROXY

I, _____, of _____, one of the Shareholders of MALARTIC GOLD FIELDS (QUEBEC) LIMITED (No Personal Liability) being the owner of _____ shares, hereby appoint Peter K. Hanley, President, or failing him, Robert C. Stanley, Jr., Vice-President, or failing both of them, A. G. Wilson, Secretary, as my proxy to vote for me and in my name at the Annual Meeting of the Company, to be held on the 12th day of May, 1971, at Malaric, Quebec, and at any adjournment thereof.

DATED at _____, this _____ day of _____, 1971.

Signature of Shareholder

WITNESS:

WHEN RETURNING PROXY, PLEASE DETACH HERE—SIGN AND FOLD—SEAL AND MAIL

NOTE: (1) If the appointor is a corporation or one of its officers, the form must be varied accordingly.
(2) If the proxy is issued by a corporation, it must bear its seal.

**MALARTIC GOLD FIELDS
(QUEBEC) LIMITED**

(NO PERSONAL LIABILITY)

Officers

P. K. HANLEY - - - - - *President*
R. C. STANLEY, JR. - - - - - *Vice-President*
A. G. WILSON - - - - - *Secretary-Treasurer*

Directors

JOHN C. L. ALLEN
PETER A. ALLEN
D. M. GIACHINO, P.Eng.
W. C. COCHRANE
P. K. HANLEY
ROBERT C. STANLEY, JR.

Manager — P. J. MCCARTHY

Registrar and Transfer Agents

CANADA PERMANENT TRUST COMPANY
Toronto, Ont. and Montreal, Que.

MARINE MIDLAND BANK — NEW YORK
New York, N.Y.

Auditors

THORNE, GUNN, HELLIWELL & CHRISTENSON
Toronto, Ont.

Executive Office

Suite 400, 112 King Street West, Toronto, Ontario

Report of the Directors

To the Shareholders:

Your Directors submit the Company's Balance Sheet and Financial Statements for the year ended December 31st, 1970, together with the Auditors' Report thereon and the Report of the Manager. Similar statements and reports on MARBAN GOLD MINES LIMITED, in which your Company holds a 75% interest, are also included.

As shown in the Statement of Income and Retained Earnings, the Net Income for the year before extraordinary items was \$208,360 compared to \$286,832 the previous year. Income derived from providing custom milling and other facilities decreased after March when Barnat Mines ceased operations. Since April 1970, only Marban Mines has been shipping ore.

The Directors wish to express their appreciation to Mr. P. J. McCarthy, manager of both Malartic Gold Fields and Marban, the Staff and all Employees for their loyal and efficient services during the year.

It is with deep regret that we record the death of Mr. John D. Bryce, a director, on September 9th, 1970.

**MALARTIC GOLD FIELDS
(QUEBEC) LIMITED**

(NO PERSONAL LIABILITY)

On behalf of the Board,

P. K. HANLEY,
President.

April 7, 1971.

Report of the Manager

Halet, Quebec,
January 20, 1971.

The President and Board of Directors,
Malartic Gold Fields (Quebec) Limited.

Dear Sirs:

This report covering operations of your company for the year 1970 is respectfully submitted.

The Mill treated 265,912 tons of custom ore as compared to 615,474 tons the previous year. The sources are as follows:

Marban Gold Mines Limited	214,607 tons
Barnat Mines Ltd.	51,290 tons
Norbeau Mines (Quebec) Limited	15 tons
	<u>265,912 tons</u>

One of the two mill circuits was closed during the year and the remaining one operated 96.20 per cent of the time for an average of 729 tons per calendar day. This compares with 1,686 tons milled per calendar day in the previous year.

At year end there were 18 hourly rated employees on the payroll compared with 60 at the end of the previous year.

All administrative and general services were provided by East Malartic Mines Limited.

A total of \$347,592 was paid out for wages, salaries, workmen's compensation, pension, unemployment insurance and other employees' benefits.

In conclusion, I wish to take this opportunity to thank the President and Directors for their guidance and support and to express my appreciation to Mr. M. Roy, Mill Superintendent, and employees for their co-operation.

Respectfully submitted,

P. J. McCARTHY,
Manager.

**MALARTIC GOLD FIELDS
(QUEBEC) LIMITED**

(NO PERSONAL LIABILITY)

**MALARTIC GOLD FIELDS
(QUEBEC) LIMITED**

(NO PERSONAL LIABILITY)

Incorporated under the laws of Quebec

Balance Sheet—

(with comparative figures)

ASSETS		1970	1969
CURRENT ASSETS			
Cash	\$	13,460	\$ 14,752
Short-term deposits		870,000	1,643,771
Accounts receivable		36,253	71,648
Receivable from subsidiary and associated companies		61,999	124,730
Marketable securities, at cost, less allowance for decline in market value of \$115,000 (quoted market value, 1970, \$332,200; 1969, \$503,100)		269,146	501,327
Prepaid expenses		14,126	13,963
Supplies, at average cost		113,144	187,395
		<u>1,378,128</u>	<u>2,557,586</u>
SHARES IN SUBSIDIARY COMPANY, at equity value (note 1)		386,040	422,680
INVESTMENTS IN OTHER COMPANIES			
Associated companies			
Listed shares, quoted market value, 1970, \$5,058,000; 1969, \$5,042,500 (note 2)		5,052,298	5,040,504
Other shares, at cost less amounts written off		732,735	352,033
Shares in other companies, at cost (quoted market value, 1970, \$103,600; 1969, \$166,000)		177,146	215,715
Advance to another company		64,424	100,000
Income debentures at cost			21,284
		<u>6,026,603</u>	<u>5,729,536</u>
FIXED ASSETS			
Buildings, machinery and equipment			
Gold Fields Division, at cost less accumulated depreciation		15,505	27,141
Bevcon Division, at nominal value		1	1
		<u>15,506</u>	<u>27,142</u>
Mining properties, at nominal value		1	1
		<u>15,507</u>	<u>27,143</u>
OTHER ASSETS			
Exploration expenditures deferred			31,205
Other items		2,061	14,110
		<u>2,061</u>	<u>45,315</u>
		<u>\$7,808,339</u>	<u>\$8,782,260</u>

December 31, 1970

t December 31, 1969)

LIABILITIES

CURRENT LIABILITIES

	1970	1969
Accounts payable and accrued liabilities	\$ 84,530	\$ 159,120
Payable to associated companies	42,162	16,679
	<u>126,692</u>	<u>175,799</u>

SHAREHOLDERS' EQUITY

Capital stock		
Authorized — 5,000,000 shares of \$1 each		
Issued — 4,481,378 shares	4,481,378	4,481,378
Less discount on shares	3,223,857	3,223,857
	<u>1,257,521</u>	<u>1,257,521</u>
Contributed surplus	617,026	617,026
	<u>1,874,547</u>	<u>1,874,547</u>
Retained earnings	5,807,100	6,731,914
	<u>7,681,647</u>	<u>8,606,461</u>

Approved by the Board

P. K. HANLEY, Director.

ROBERT C. STANLEY, Jr., Director.

AUDITORS' REPORT

To the Shareholders of
Malartic Gold Fields (Quebec) Limited
(No Personal Liability)

We have examined the balance sheet of Malartic Gold Fields (Quebec) Limited (No Personal Liability) as at December 31, 1970 and the statements of income and retained earnings and source and application of funds for the year then ended and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the company, these financial statements are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company as at December 31, 1970 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

THORNE, GUNN, HELLIWELL & CHRISTENSON,
Chartered Accountants.

Toronto, Canada,
February 19, 1971.

<u>\$7,808,339</u>	<u>\$8,782,260</u>
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**MALARTIC GOLD FIELDS
(QUEBEC) LIMITED**

(NO PERSONAL LIABILITY)

Statement of Income and Retained Earnings

Year ended December 31, 1970

(with comparative figures for 1969)

REVENUE	1970	1969
Services		
Custom milling (note 5)	\$ 671,728	\$1,030,684
Other	98,165	292,911
Income from investments	51,916	153,100
	<u>821,809</u>	<u>1,476,695</u>
EXPENSES		
Direct cost of services		
Custom milling	341,986	593,890
Other	58,492	169,711
Mine office and supervision	26,859	35,048
General expenses at the property	205,714	259,355
Administrative and corporate expenses	66,818	72,660
Depreciation	7,097	7,340
	<u>706,966</u>	<u>1,138,004</u>
Income before undernoted items	<u>114,843</u>	<u>338,691</u>
Add		
Proceeds on sale of fixed assets in excess of net book value	63,346	6,510
Proceeds on sale of mining properties, Bevcon division		25,000
Interest in net income of subsidiary company	113,360	10,383
	<u>176,706</u>	<u>41,893</u>
	291,549	380,584
Deduct outside exploration	83,189	93,752
Income before extraordinary items	<u>208,360</u>	<u>286,832</u>
Extraordinary items		
Gain (loss) on investments sold	(249,336)	630,741
Allowance for decline in value of shares		
Associated companies	(850,000)	(1,520,000)
Marketable securities		(115,000)
Interest in another company written down	(33,838)	
Provision for severance pay		(28,757)
	<u>(1,133,174)</u>	<u>(1,033,016)</u>
Loss for the year	924,814	746,184
Retained earnings at beginning of year	6,731,914	7,478,098
Retained earnings at end of year	<u>\$5,807,100</u>	<u>\$6,731,914</u>
Earnings per share		
Income before extraordinary items	<u>5¢</u>	<u>6¢</u>
Loss for the year	<u>21¢</u>	<u>17¢</u>

**MALARTIC GOLD FIELDS
(QUEBEC) LIMITED**

(NO PERSONAL LIABILITY)

Statement of Source and Application of Funds

Year ended December 31, 1970

(with comparative figures for 1969)

SOURCE OF FUNDS	1970	1969
Income before extraordinary items	\$ 208,360	\$ 286,832
Items not involving current funds		
Depreciation	7,097	7,340
Interest in net income of subsidiary company	(113,360)	(10,383)
Other items	43,254	
	<u>145,351</u>	<u>283,789</u>
Gain on sale of marketable securities		56,880
Sale of shares in associated companies	408,830	2,361,264
Sale of income debentures	3,828	22,831
Payment received on advances to another company	25,000	
Sale of shares in other companies	28,452	346
Dividend received from subsidiary company (applied against investment)	150,000	
Sale of fixed assets	4,539	
	<u>766,000</u>	<u>2,725,110</u>
APPLICATION OF FUNDS		
Investments in associated companies	1,818,472	1,078,932
Investment in other companies		
Investments	799	177,876
Reclassification from current assets		37,839
Advance to another company	23,261	100,000
Loss on sale of marketable securities	53,819	
Purchase of fixed assets		400
Allowance for decline in value of marketable securities		115,000
Exploration expenditures deferred		26,406
Provision for severance pay		28,757
Other items		8,224
	<u>1,896,351</u>	<u>1,573,434</u>
Increase (decrease) in working capital	(1,130,351)	1,151,676
Working capital at beginning of year	2,381,787	1,230,111
Working capital at end of year	<u>\$1,251,436</u>	<u>\$2,381,787</u>

Notes to Financial Statements

December 31, 1970

1. SUBSIDIARY COMPANY

Consolidated financial statements have not been prepared for the partly owned subsidiary company, Marban Gold Mines Limited, because it is considered more informative to present separate statements.

2. INVESTMENT IN ASSOCIATED COMPANIES

Listed shares are carried at cost, less allowance for decline in market value of \$2,370,000 in 1970; \$1,520,000 in 1969. The market values shown are based on closing market prices at December 31, each year. Because of the number of shares involved and the fact that the shares in some cases represent control of the companies concerned, the amounts that would be realized if these securities were to be sold may be more or less than their indicated market value.

3. INCOME TAXES

Deduction for income tax purposes for depreciation exceeds the amount charged to income in the accounts. As a result, income taxes for 1970 and 1969 have been eliminated. The taxes so eliminated amounted to \$26,500 for 1970 and \$129,000 for 1969. At December 31, 1970 depreciation yet to be deducted for tax purposes exceeds by \$1,220,000 the net book value of the related assets.

4. SUPPLEMENTARY INFORMATION

Direct remuneration of the company's directors and senior officers (including the five highest paid employees) as defined by The Securities Act of Ontario was as follows:

	From Malartic Gold Fields (Quebec) Limited		From unconsolidated subsidiary company	
	1970	1969	1970	1969
Directors and officers	\$ 7,850	\$ 14,000	Nil	Nil
Mill employees	33,486	49,548	Nil	Nil
Total	<u>\$ 41,336</u>	<u>\$ 63,548</u>	<u>Nil</u>	<u>Nil</u>

5. SUBSEQUENT EVENT

Subsequent to December 31, 1970 the company has been notified by its only custom milling client, Marban Gold Mines Limited, that it may terminate the custom milling agreement at any time after May 31, 1971. On the termination of this agreement the company intends to cease custom milling operations.

TO THE SHAREHOLDERS,
LONG LAC MINERAL EXPLORATION LIMITED:

Submitted herewith is a report covering the activities of your Company for the year ended December 1970.

Interest in your Company is presently divided amongst the following companies: Little Long Lac Mines Limited and Lake Shore Mines, Limited with 25% each, Willroy Mines Limited 20%, and Malartic Gold Fields (Quebec) Limited, Wright-Hargreaves Mines Limited and East Malartic Mines Limited with 10% each.

Company resources were again concentrated on partially developed properties. Exploration costs at this stage are high and expenditures increased from \$346,000 in 1969 to \$520,000 in 1970. Unfortunately disappointing results and declining metal prices were major factors in terminating several projects including the York Harbour in Newfoundland and the Cullowhee project in North Carolina.

In addition to specific projects, your Company was actively engaged in investigating and examining properties for their possible acquisition and development. The Company will continue its policy of participating in exploration ventures with other mining companies thereby broadening its exploration exposure while spreading the inherent risk.

Oil and gas exploration covering two million acres in the Michigan basin was continued with participation varying between 16% and 75% in three separate ventures. Acreage blocks will be selected for the drilling of several exploratory wells for patch and pinnacle reefs in 1971.

Amax Exploration Inc. have taken a working option on your Company's 207 claims contained in two blocks on the extension of the Thompson nickel belt of Manitoba. The option permits them to earn up to 70% interest by spending \$100,000 before July 1972. Further expenditures will be on a participation basis to one million dollars when a new company will be formed. Amax have also reinstated their working option on a group of 49 claims lying further to the north where they will be conducting follow-up geophysical surveys over the more promising areas indicated by previous work.

Two large areas in Northwestern Ontario have been flown with the latest airborne geophysical system. Numerous important anomalies were outlined which preliminary ground follow-up has indicated to be related to metal sulphides. Further detailed surveys will determine which anomalies will be selected for investigation by diamond drilling in 1971. Your Company has a sixty percent interest in this venture.

An option has been taken on a property on the west coast of Newfoundland comprising 38,324 acres. This is underlain by the Bay of Islands Igneous Complex and is known to contain showings of nickel, copper, asbestos and chromium mineralization. Grab samples have assayed as high as 5.2% nickel, 5.0% copper and 0.2% cobalt.

Your Company is participating in a large airborne search for stratified massive sulphide deposits in the N.W.T. Surveys have indicated several hundred individual conductors. A total of 372 claims have been staked and drill testing the best anomalies will be done this summer following detailed selection surveys.

A reconnaissance survey was made of a large area of the Yukon in the search for porphyry copper type deposits. Participation in another venture of this type will again be made under the able management of Derry, Michener and Booth of a large area in British Columbia.

Your Company has a 90% interest in a project to be managed by the Quebec Mining Exploration Company (Soquem) in the Abitibi district of Quebec. A comprehensive exploration program starting with airborne geophysics, will be conducted principally for base metal deposits.

The continued support of our Directors and staff is sincerely appreciated.

Respectfully submitted,

P. D. TIMMS,
Manager.

April 7, 1971.

MARBAN GOLD MINES LIMITED

OFFICERS

P. K. HANLEY	-	-	-	-	-	-	-	-	<i>President</i>
A. G. WILSON	-	-	-	-	-	-	-	-	<i>Secretary</i>

DIRECTORS

J. C. L. ALLEN	P. K. HANLEY
J. G. EDISON	STEPHEN KAY
R. C. STANLEY, JR.	

MINE MANAGER

P. J. MCCARTHY

REGISTRAR AND TRANSFER AGENTS

CANADA PERMANENT TRUST COMPANY,
Toronto, Ontario.

AUDITORS

THORNE, GUNN, HELLIWELL & CHRISTENSON,
Toronto, Ontario.

EXECUTIVE OFFICE

Suite 400, 112 King St. West,
Toronto 1, Ontario.

MARBAN GOLD MINES LIMITED

Report of the Manager

Halet, Quebec,
January 19, 1971.

The President and Board of Directors,
Marban Gold Mines Limited.

Dear Sirs:

This report covering operations of your company for the year 1970 is respectfully submitted.

PRODUCTION:

During the year 214,607 tons of ore were milled yielding 37,777 fine ounces of gold and 4,324 ounces of silver. The total value of this bullion plus \$347,551 estimated E.G.M.A. was \$1,733,141 for a recovery of \$8.08 per ton.

To date the mine has produced 237,873 fine ounces of gold and 21,042 ounces of silver. Total tons milled amounted to 1,506,993 for a recovery of 0.158 ounces of gold per ton.

In Canadian funds average price received per fine ounce of gold and silver were \$36.40 and \$1.78 as compared with \$37.69 and \$1.93 in the previous year.

MINING:

In early 1970 a decision was made to close the mine in August. All exploration and development was stopped and a planned mining retreat to the shaft was started. In August however there was sufficient ore remaining to continue the operation into 1971. It is expected now that breaking of ore will continue until July, 1971.

MILLING:

Marban ore was trucked a distance of four miles and treated at the Malartic Gold Fields custom mill. A total of 214,607 tons was milled for an average of 588 tons per calendar day. Mill heads averaged 0.181 ounces of gold per ton and recovery was 98.01 per cent.

ORE RESERVES:

At December 31, 1970 proven ore reserves were calculated to be 140,940 tons having an average grade of 0.162 ounces of gold per ton. This compares with 284,000 tons having an average grade of 0.160 ounces of gold per ton the year before.

GENERAL:

At year end there were 80 employees on the payroll compared to 82 the previous year. Administrative and general services were provided by East Malartic Mines Limited.

A total of \$649,518 was paid out for wages, salaries, workmen's compensation, pension, unemployment insurance and other employees' benefits.

In conclusion, I wish to take this opportunity to thank the President and Directors for their guidance and support and to express my appreciation to Mr. G. Bellavance, Mine Superintendent, the Supervisory Personnel and employees for their co-operation.

Respectfully submitted,

P. J. McCARTHY,
Manager.

MARBAN GOLD

(Incorporated under the laws of the State of Nevada)

Balance Sheet—

(with comparative figures for 1969)

ASSETS		1970	1969
CURRENT ASSETS			
Cash			\$ 7,386
Short term deposits	\$ 135,000	271,178	
Bullion, at net realizable value	114,887	89,212	
Accounts receivable	1,263	2,081	
Amount receivable under the Emergency Gold Mining Assistance Act	130,048	102,006	
Prepaid expenses	2,651	1,787	
Supplies, at average cost	37,011		
	<u>420,860</u>	<u>473,650</u>	
FIXED ASSETS			
Building, machinery and equipment, at cost	304,715	304,215	
Less accumulated depreciation	283,200	274,200	
	<u>21,515</u>	<u>30,015</u>	
Mining properties and claims, at cost	250,000	250,000	
	<u>271,515</u>	<u>280,015</u>	
OTHER ASSETS			2,200
			<u>2,200</u>
		<u>\$ 692,375</u>	<u>\$ 755,865</u>

Approved by the Board

P. K. HANLEY, Director.

J. C. L. ALLEN, Director.

MARBAN GOLD MINES LIMITED

(Incorporated in the Province of Ontario)

December 31, 1970

(December 31, 1969)

LIABILITIES

CURRENT LIABILITIES	1970	1969
Bank overdraft	\$ 6,028	
Accounts payable and accrued liabilities	95,361	\$ 110,919
Payable to associated companies	15,441	
Payable to parent company, Malartic Gold Fields (Quebec) Limited ..	58,619	81,370
Quebec mining tax payable	8,742	
	<u>184,191</u>	<u>192,289</u>
SHAREHOLDERS' EQUITY		
Capital stock		
Authorized — 5,000,000 shares of \$1 each		
Issued — 4,000,005 shares	4,000,005	4,000,005
Less discount on shares	3,000,000	3,000,000
	<u>1,000,005</u>	<u>1,000,005</u>
Deduct deficit	491,821	436,429
	<u>508,184</u>	<u>563,576</u>

AUDITORS' REPORT

To the Shareholders of
MARBAN GOLD MINES LIMITED.

We have examined the balance sheet of Marban Gold Mines Limited as at December 31, 1970 and the statements of income and deficit and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1970 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

THORNE, GUNN, HELLIWELL & CHRISTENSON,
Chartered Accountants.

Toronto, Canada,
January 29, 1971.

<u>\$ 692,375</u>	<u>\$ 755,865</u>
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MARBAN GOLD MINES LIMITED

Statement of Income and Deficit

Year ended December 31, 1970
(with comparative figures for 1969)

	1970	1969
OPERATING REVENUE		
Bullion recovery	\$1,385,590	\$1,228,799
Assistance under the Emergency Gold Mining Assistance Act	347,551	333,289
	<u>1,733,141</u>	<u>1,562,088</u>
OPERATING EXPENSES		
Mine development	7,158	79,594
Mining	736,770	819,315
Milling	581,971	330,205
Ore haulage	72,126	70,911
Marketing expenses	7,381	5,968
Mine office and supervision	42,901	79,779
General expenses at the property	113,702	114,002
Administrative and corporate expenses	17,604	17,840
Quebec mining tax	8,120	
	<u>1,587,733</u>	<u>1,517,614</u>
Operating profit, before providing for undernoted items	145,408	44,474
Depreciation	9,000	12,800
	<u>136,408</u>	<u>31,674</u>
Interest income	8,200	13,219
	<u>144,608</u>	<u>44,893</u>
Income before extraordinary item		31,047
Provision for severance pay		
	<u>144,608</u>	<u>13,846</u>
Net income for the year	436,429	450,275
Deficit at beginning of year		
	<u>291,821</u>	<u>436,429</u>
Dividend	200,000	
	<u>\$ 491,821</u>	<u>\$ 436,429</u>
Deficit at end of year		

Direct remuneration of directors and senior officers (including the five highest paid employees)
as defined by The Business Corporations Act, 1970 was as follows:

	1970	1969
Directors and officers	Nil	Nil
Mine employees	\$ 57,263	\$ 51,605
	<u>\$ 57,263</u>	<u>\$ 51,605</u>

MARBAN GOLD MINES LIMITED

Statement of Source and Application of Funds

Year ended December 31, 1970
(with comparative figures for 1969)

SOURCE OF FUNDS	1970	1969
Net income for the year	\$ 144,608	\$ 13,846
Depreciation not involving current funds	9,000	12,800
	<u>153,608</u>	<u>26,646</u>
Other items	2,200	3,859
	<u>155,808</u>	<u>30,505</u>
 APPLICATION OF FUNDS		
Purchase of machinery and equipment	500	629
Dividend	200,000	
	<u>200,500</u>	<u>629</u>
Increase (decrease) in working capital	(44,692)	29,876
Working capital at beginning of year	281,361	251,485
Working capital at end of year	<u>\$ 236,669</u>	<u>\$ 281,361</u>

<u>Name of Proposed Nominee</u>	<u>Other Positions and Offices with the Company</u>	<u>Period Served as a Director of the Company</u>	<u>Principal Occupation or Employment</u>
Dominic M. Giachino	None	since 1971	Executive, Little Long Lac Mines Limited, (Mining Company).
Peter K. Hanley	President	since 1965	A Vice-President of John C. L. Allen Limited, (Stockbrokers).
Robert C. Stanley, Jr.	Vice-President	since 1965	President, Little Long Lac Mines Limited, (Mining Company).

Wilbur C. Cochrane reports that he beneficially owns 1,000 shares of the Company. Each of the other proposed nominees reports that he is the registered holder of one share of the Company but is not the beneficial owner of any shares of the Company.

REMUNERATION OF MANAGEMENT AND OTHERS

The aggregate direct remuneration paid or payable by the Company to the directors and senior officers of the Company (including the five highest paid employees) during the Company's last completed financial year was:

Directors and officers	\$ 7,850
Mine employees	\$ 33,486
Total	<u>\$ 41,336</u>

MANAGEMENT CONTRACTS

The Company had an arrangement with Little Long Lac Mines Limited (formerly The Little Long Lac Gold Mines Limited), 400, 112 King Street West, Toronto, Ontario, whereby the Company paid to Little Long Lac a management fee of \$3,000 per month for head office accommodation and managerial, engineering and secretarial services provided by Little Long Lac to the Company. The Company paid Little Long Lac \$36,000 for management services under such arrangement during the 12 month period from the commencement of the Company's last completed financial year on January 1, 1970. The arrangement was terminated on December 31, 1970.

The following are the names and addresses of "Insiders" of Little Long Lac Mines Limited as defined in The Securities Act, 1966 (Ontario):— Wright-Hargreaves Mines, Limited, John Charles Leighton Allen, Peter Ackerman Allen, Dominic Mathew Giachino, Gerald William Gregory, Peter Keith Hanley, Lyle Mervyn Sharpe and Augustus George Wilson, all of 400, 112 King Street West, Toronto, Ontario; and Robert Crooks Stanley, Jr., 578 Navesink River Road, Mounted Route #1, Red Bank, New Jersey, U.S.A.

APPOINTMENT OF AUDITORS

The Management of the Company proposes to nominate Thorne, Gunn, Helliwell & Christenson, Chartered Accountants, the Company's present auditors, as auditors of the Company. Thorne, Gunn, Helliwell & Christenson and their predecessor firms, have been auditors of the Company for more than five years. It is intended that the shares represented by proxies solicited by Management will be voted in favour of the appointment of Thorne, Gunn, Helliwell & Christenson as auditors of the Company.

OTHER BUSINESS

The Management of the Company knows of no matters to come before the Meeting other than the matters referred to in the Notice of the Meeting. However, if matters not now known to Management should come before the Meeting, shares represented by proxies solicited by Management will be voted on each such matter in accordance with the best judgment of the nominee voting same.

April 1, 1971.

Malartic Gold Fields (Quebec) Limited

(No Personal Liability)

INFORMATION CIRCULAR for Annual Meeting of Shareholders to be held May 12, 1971

This Information Circular accompanies Notice of the Annual Meeting of Shareholders of MALARTIC GOLD FIELDS (QUEBEC) LIMITED (No Personal Liability) (the Company) to be held May 12, 1971, and is furnished in connection with the solicitation by Management of the Company of proxies for use at the Meeting. The cost of such solicitation will be borne by the Company. It is planned that the solicitation will be primarily by mail, but proxies may also be solicited by regular employees of the Company.

A proxy in the form enclosed with the Notice of Meeting may be revoked at any time in so far as it has not been exercised.

A shareholder has the right to appoint a person to represent him at the meeting other than the persons designated in the form of proxy enclosed with the Notice of Meeting. Such right may be exercised by completing a form of proxy similar to the enclosed form of proxy.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

There are 4,481,378 shares with a par value of \$1 each of the Company outstanding, each of which entitles the registered holder to one vote at any meeting of shareholders.

Only shareholders of record on May 12, 1971, the date of the Annual Meeting, are entitled to vote thereat. Those shareholders desiring to be represented thereat by a nominee must deposit their proxies with the Company or its transfer agent, Canada Permanent Trust Company, 1901 Yonge Street, Toronto 7, Ontario, prior to the commencement of the Meeting.

The directors and senior officers of the Company have been informed that:— (i) Lake Shore Mines, Limited owns directly or indirectly 2,230,837 shares of the Company, being approximately 49.8% of the outstanding shares of the Company and (ii) Little Long Lac Mines Limited owns directly or indirectly 685,389 shares of the Company, being approximately 15.3% of the outstanding shares of the Company.

ELECTION OF DIRECTORS

The Management of the Company proposes to nominate the persons listed below for election as directors of the Company, to serve until the next annual meeting of the shareholders of the Company or until their successors are duly elected or appointed, unless any such person is unable to act as a director, in which event a substitute may be nominated by the Management of the Company. It is intended that the shares represented by proxies solicited by management will be voted in favour of the election of such persons as directors of the Company.

<u>Name of Proposed Nominee</u>	<u>Other Positions and Offices with the Company</u>	<u>Period Served as a Director of the Company</u>	<u>Principal Occupation or Employment</u>
John C. L. Allen	None	since 1965	Director, Little Long Lac Mines Limited, (Mining Company).
Peter A. Allen	None	since 1966	President of John C. L. Allen Limited, (Stockbrokers).
Wilbur C. Cochrane	None	since 1965	Chairman of the Board, Cochrane-Dunlop Hardware Limited, (Hardware Distributors).

